

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: FARMERS & MERCHANTS MUTUAL TELEPHONE CO.	DOCKET NO. SPU-99-9
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ORDER APPROVING INTRALATA DIALING PARITY PLAN

(Issued June 22, 1999)

On April 22, 1999, Farmers & Merchants Mutual Telephone Co. (Farmers & Merchants) filed for the Board's consideration and approval a plan for implementing intraLATA dialing parity. Farmers & Merchants generally proposes to allow customers to choose their intraLATA carrier prior to the implementation of intraLATA dialing parity and to assign customers who do not make an affirmative choice to FarmTel Communications, a subsidiary of Farmers & Merchants.

Farmers & Merchants does not propose any mechanism to recover the cost of implementing intraLATA dialing parity.

Farmers & Merchants provided a proposed customer notification form for direct mailing and asks that the Board approve the form. The proposed notice will inform customers that they have four months from the date of implementation (which is projected to be July 21, 1999) to designate an initial preferred intraLATA carrier without incurring a PIC charge.

On May 5, 1999, the Consumer Advocate Division, Department of Justice (Consumer Advocate) filed a "Response To IntraLATA Dialing Parity Plan." Consumer Advocate states that it has no objection Farmers & Merchants' plan, but notes that the plan does not specify how Farmers & Merchants intends to ensure competitive neutrality when new customers are choosing their intraLATA carrier. Consumer Advocate suggests that the Board should require Farmers & Merchants to amend its plan to clarify how it intends to assure competitive neutrality when new customers choose an intraLATA carrier when initiating local service.

On May 12, 1999, Farmers & Merchants filed a letter intended to respond to the Consumer Advocate concern regarding competitive neutrality. Farmers & Merchants proposes to amend its plan to provide that when a new customer applies for service, they will be asked which long distance provider they prefer for their interLATA and intraLATA services. Only when the customer does not respond with a preferred carrier will Farmers & Merchants advise the customer of the carriers that are available, letting the customer choose from that list.

On May 25, 1999, Consumer Advocate filed an amended response to the Farmers & Merchants dialing parity plan, as amended, stating that the proposed plan amendment addresses the concern raised by Consumer Advocate in its initial response.

The Board will approve Farmers & Merchants' plan for implementation of intraLATA dialing parity as amended by the filing of May 12, 1999. The amendment

to the plan with respect to competitive neutrality and new customers appears to address, at least partially, the concern expressed by the Consumer Advocate.

IT IS THEREFORE ORDERED:

The IntraLATA Dialing Parity Plan filed by Farmers & Merchants Mutual Telephone Company on April 22, 1999, as amended on May 12, 1999, is approved.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22nd day of June, 1999.